

The GEF-5 SFM/REDD-plus Program

Global Expert Workshop on Biodiversity
Benefits of REDD-plus

Nairobi, 20-23 September 2010



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About the GEF



- Provides funding for the objectives of the CBD, UNFCCC and UNCCD
- Projects are implemented through a network of UN-Agencies and MDBs
- Additional costs of generating global environmental benefits from nationally-implemented projects and programs
- \$4.3 billion replenishment for GEF-5
- Separate funding envelope for SFM/REDD-plus in GEF-5

Focal Areas at the GEF



Natural Resources

- Biodiversity
- Land Degradation
- International Waters



Climate Change & Chemicals

- Climate Change Mitigation
- Persistent Organic Pollutants / Chemicals



Investments in SFM at the GEF



The GEF-4 SFM Program



- In June 2007, the GEF-4 SFM Program was created
- The SFM Program did not have a separate funding envelope but drew on resources from three focal areas
- The Tropical Forest Account as a \$40 million GEF pilot in REDD-plus

Focus of GEF-4 SFM Projects



- 1) Forest protected area management
- 2) Strengthening the policy and regulatory framework for mainstreaming biodiversity
- 3) Land Use, Land Use Change, and Forestry (LULUCF)
- 4) Sustainable Forest Management in productive landscapes
- 5) Fostering markets for biodiversity goods and services

Focus of GEF-4 SFM Projects



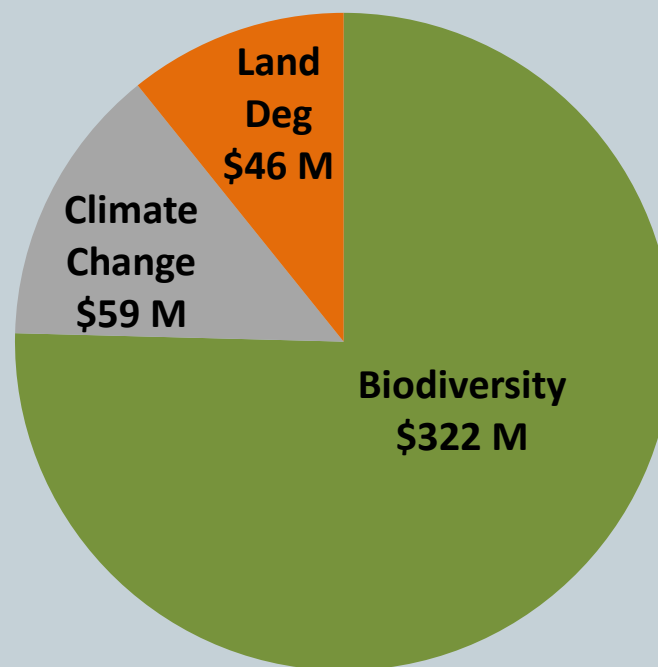
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GEF-4 SFM investments

113 projects

Total investment: \$432 M

Total co-financing: \$1.33 B



Resources to GEF-4 SFM Program by Focal Area

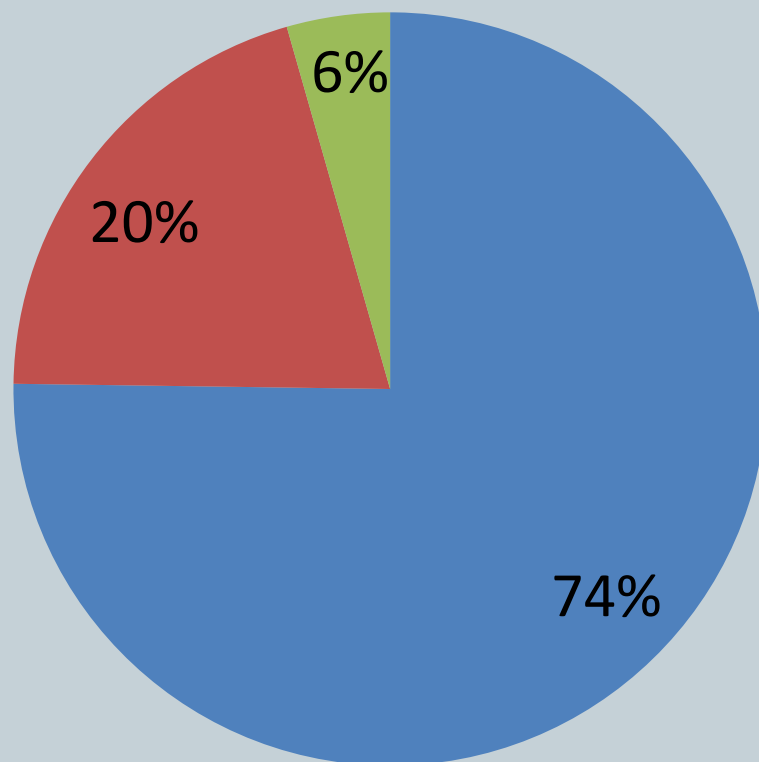
Multiple Global Environment Benefits: Triple Importance of Forests



- **CLIMATE CHANGE:** Slowing tropical deforestation is bound to play a much larger role in mitigating climate change.
- **BIODIVERSITY:** Forests harbor over 60% of all terrestrial plant and animal species.
- **LAND DEGRADATION:** Forests provide livelihoods and vital environmental services to hundreds of millions of people.



GEF-4 Lessons Learned



Single versus multi-focal
area SFM projects

- Single Focal Area
- MFA (2 Focal Areas)
- MFA (3 Focal Areas)

GEF-4 Lessons Learned



Without financial incentives, the interest in combining Focal Area allocations to create synergy and secure multiple benefits is limited.

- Possible Reason: design complexity and transaction costs.
- Lesson: need for incentives to create synergies for reaching the objectives of the conventions.

The GEF-5 SFM/REDD-plus Program (2010-2014)



Upscaling the GEF's Investments in sustainable forest management and REDD-plus

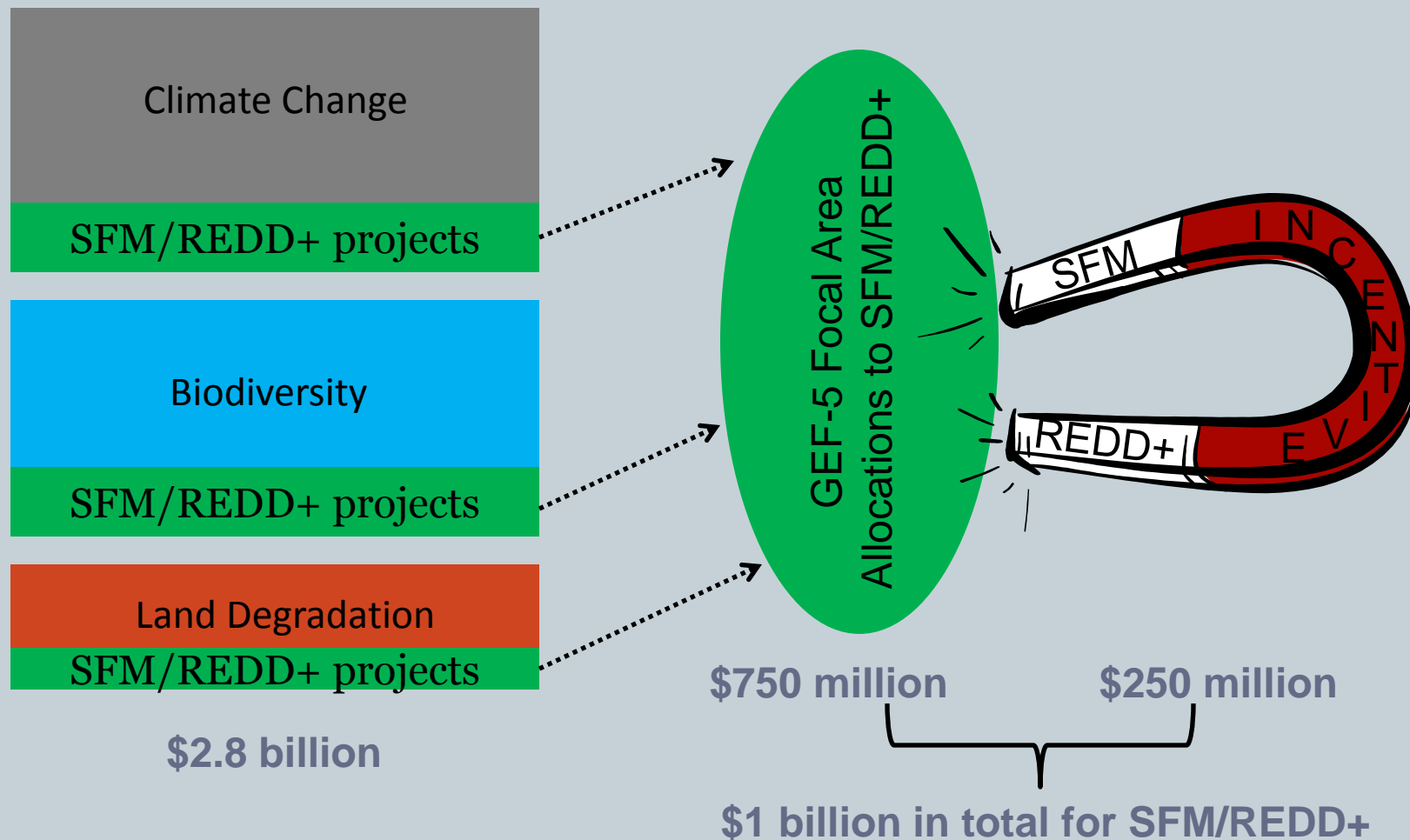


The GEF-5 SFM/REDD-plus Program



- Goal: achieve multiple environmental benefits from improved management of all types of forests.
- Potential projects: national forest policy reformulation, protected area management, capacity building for monitoring GHG emissions from deforestation and forest degradation, certification of timber and non-timber forest products,...
- Funding will mainly derive from 3 GEF Focal Areas (Biodiversity, Climate Change and Land Degradation)
- **Own funding envelope (\$250 million)**

Financing SFM/REDD-plus in GEF-5



The GEF-5 SFM/REDD-plus incentive mechanism



- Investments from at least 2 GEF Focal Areas → maximizing multiple benefits
- 3:1 investment algorithm (e.g. \$6 million from Biodiversity and Climate Change → \$2 million from SFM/REDD+ account)
- Available for investments between \$2 million and \$30 million

Thank you!



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